

R 231630Z JAN 09
FM AMCONSUL MATAMOROS
TO SECSTATE WASHDC 4360
AMEMBASSY MEXICO
INFO ALL US CONSULATES IN MEXICO COLLECTIVE
AMCONSUL MATAMOROS

UNCLAS MATAMOROS 000018

E.O. 12958: N/A

TAGS: [BEXP](#) [BTIO](#) [ECON](#) [ELAB](#) [MX](#) [PGOV](#)

SUBJECT: PUSHING THE TOURIST ECONOMY IN NORTHERN MEXICO: IS IT WORKING?

REF: MATAMOROS 308

(U) 1. SUMMARY: While the maquiladora industry remains the king of the border economy, Mexico's northern states still rely heavily on tourist dollars. In 2009, with the combination of a weakened US economy and increasingly visible security threats in Mexico, the tourism industry faces particular challenges. Tamaulipas and neighboring states have ramped up efforts to attract tourist dollars with efforts geared toward keeping Mexican tourists at home (reftel), while attracting US and other foreign visitors. The tourist economy across northeastern Mexico is hurting -- security is a concern and day vacationers are not crossing into Mexico, but tourists continue to visit farther into the interior and tying vacations to business travel appears to be a growing trend.

Mexican States' Promotional Efforts

12. EconOff attended a travel exposition in McAllen, Texas, on January 9 which included seven Mexican state tourism secretariats (San Luis Potosi, Coahuila, Guanajuato, Nuevo Leon, Durango, Zacatecas and Tamaulipas) and numerous independent exhibitors from across Mexico to further investigate regional tourism trends. Mexican tourism representatives were out in full force for the annual event specifically designed to attract 'Winter Texans' to regional tourism. (Winter Texans are typically retired couples from the northern US and Canada living in the region during the winter months to take advantage of the temperate climate.) In addition to promotions by the various state Secretaries of Tourism, all seven of the state-sponsored booths included the free use of booth space for private travel companies (hotels, resorts, etc.) and representatives from municipalities within the states, varying in size and scope. Unlike Zacatecas and Monterrey, for example, Durango sees many regional tour groups, with far fewer visiting from greater distances. While many Americans are afraid to drive themselves in Mexico, group visits via buses and organized tours are still popular. As a result, Durango has seen little slowdown in overall tourism despite the drop in individual Americans driving into Mexico.

13. In the border region, billboard advertising has also grown in popularity to attract Mexican and regional tourists from the US. The Tamaulipas Secretary of Tourism has advertised the state's beach resorts south of the border, encouraging Mexican travelers to stay in Mexico. According to Yadira Diaz, representative of the Tampico, Tamaulipas, Secretary of Tourism, Tampico's main goal is still to attract Mexican tourists -- keeping their dollars away from Texas. Nuevo Leon, on the other hand, has recently added billboards promoting Monterrey as a tourist destination along highways on the US-side of the Rio Grande Valley. The new advertisements were timed well to meet the seasonal arrival of Winter Texans and the annual travel expo. Arturo Monctezuma with Apple Tree Cabanas, about 80 minutes south of Monterrey, and representatives of the Monterrey Secretary of Tourism indicated that Monterrey tourism continues to grow as the city makes a continued push to move its economy beyond industry. According to Monctezuma, air travelers make up a significant portion of the increase in tourists as a fear of driving from the US into Mexico is keeping many visitors away despite regional promotion efforts.

14. Farther into the interior, Zacatecas has reported a 300

percent increase in tourism in the past few years with many new visitors coming from Japan, Australia and Canada. 'Semana Santa' and Zacatecas' music festival (featuring artists like Bob Dylan) are big draws for international tourists. According to Luis Raudel Rivas Naches, director of promotion for the Zacatecas Secretary of Tourism, Zacatecas is allegedly the most secure state in the country which helps the state promote itself.

Taking Advantage of Business Travel

15. In Tamaulipas, new resorts and other facilities are being development and heavily promoted to attract business clientele with meeting rooms and other business travel draws. A new hotel has been completed near the 'El Cielo' bio-reserve south of the state capital in Ciudad Victoria. Additionally, significant investments are being made to convert La Pesca, Tamaulipas, into a new Gulf Coast tourist destination, and city of Tampico also recently opened a new multi-million dollar Convention and Tourist Center (reftel).

16. The city of Saltillo and the state of Coahuila also note relative stability in tourism dollars. According to Cristina de Hoyos Villarreal, coordinator of groups and conventions for the city of Saltillo, business travel is still driving a significant portion of the tourism dollars. She indicated that Korean and Canadian businessmen, for example, regularly bring their families with them when visiting for work for one or two week stays.

Border Tourism is Down

17. Attractions in the border region typically visited by Winter Texans are hurting significantly. While some blame confusion in regard to US border crossing regulations (changing deadlines for AmCits needing passports to re-enter the US, etc.), most of the blame is being placed on the security situation and the US media for scaring away valuable tourist dollars. The Chamber of Commerce in Rio Bravo, Tamaulipas, which includes the town of Nuevo Progreso which offers arguably the most convenient Mexican border shopping district in the region, reports that the 2008 Winter Texan season saw a 50 percent decrease in retail sales. The Mercado Juarez in Matamoros had reports of drastic sales drops, down as much as 80 percent last year. And this year is not expected to be any better. According to press reports in late December, a low flow of winter tourists from the United States this season has led to as many as 33 percent of the local arts and crafts market vendors in Mercado Juarez to go out of business. Affiliated businesses are also struggling. 'For the last two months we have been agonizing, due to the lack of passengers,' said Francisco Dominguez, a taxicab driver stationed at Matamoros' main plaza.

18. Hunting tourism is another example of a tourism push -- and struggle -- in the state of Tamaulipas which is the number one hunting site for foreign tourists according to the state Department of Tourism. As of November, the state expected more than 17,000 hunters from the US and Canada during the 2008-09 stag season which lasts through January. Each hunting tourist spends an average of 1,000 USD according to one state official, resulting in millions of dollars in revenue for the hunting industry during stag season, alone. (Bird hunting is also popular throughout the state at other times of the year.) However, a late December press report noted that the current deer hunting season in Tamaulipas has 'been a failure,' allegedly due to the economic crisis in the U.S. and Canada. According to the press report, only 50 hunting tourists had registered at the Zaragoza International Bridge in Matamoros as of the end of December.

19. COMMENT: While the maquiladora industry is the backbone of the border economy, Mexico's northern states rely heavily on tourist dollars. The combination of a weakened US economy and security threats in Mexico mean the tourism industry will face particular challenges in 2009. From taxi drivers who transport pedestrians from international bridges to shopping districts, to pharmacies that rely heavily on selling discounted drugs to Winter Texans, to hunting lodges farther into the interior, the

threat to small- and medium-sized businesses is arguably most severe. And despite government and private efforts to promote new segments of the tourist industry, such as resorts geared toward business meetings and draws for weekend visitors farther from the border, the tough global economy could threaten many new ventures almost before they start. However, if the newer ventures, in particular, survive the downturn and the current security environment, they offer promise of diversifying the regional economy and creating new service sector jobs that could benefit thousands of workers with few other options outside of city-centric maquiladoras and the low-paying agro-economy in Mexico's northern states.

HAMMOND